

Executive Reg. ()
70-6247

28 December 1970

Honorable Philip J. Philbin
House of Representatives
Washington, D. C. 20515

Dear Mr. Philbin:

I refer to a problem in connection with the recent amendment to the Central Intelligence Agency Retirement Act of 1964 about which Mr. Maury spoke to you on the telephone on Thursday, 24 December.

Despite what we felt was a clear understanding on the subject, the Civil Service Commission has at least tentatively taken the position that the language of Section 5 of S. 4571, amending Section 252 (c)(1) of the Central Intelligence Agency Retirement Act of 1964, and the legislative history of Section 5 are not sufficiently clear to authorize the Commission to transfer to the CIA Retirement Fund all Government contributions previously accumulated in the Civil Service Retirement Fund when an employee transfers into the Agency's system.

The Commission has indicated that in these circumstances it would be helpful if you could provide the Commission with a letter, and/or make a statement in the Congressional Record, reaffirming the intention of the Congress to authorize the transfer of Government contributions for all Agency employees already transferred since 1964 including former participants.

Enclosed for your convenient reference are copies of the bill and the report on which I have marked the relevant sections. Also enclosed are a draft letter and statement for your consideration.

If you could insert this or a similar statement in the Congressional Record and sign a letter to the Chairman of the Civil Service Commission, we believe it would clarify congressional intent and allow the Commission to make the transfer of funds.

We would be deeply appreciative for your assistance.

Sincerely,

/s/ L. K. White

L. K. White
Executive Director

Enclosures

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Mr. Robert E. Hampton, Chairman
Civil Service Commission
1900 E Street, N.W.
Washington, D. C. 20415

Dear Mr. Chairman:

To avoid any question whether the amendment to subsection (c)(1) of section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) as contained in S. 4571 of the 91st Congress was intended to cover past Government contributions of all present participants and former participants in the Central Intelligence Agency Retirement and Disability System, we would like to furnish the following information.

In the hearings conducted by this Committee on a similar legislative proposal (H. R. 16306 of the 89th Congress which was passed by the House but not acted upon by the Senate) and on the present bill it was the understanding of this Committee that the section authorizing automatic transfer of employee and employer contributions would include all past Government contributions for present and former participants. Thus, the objective would be attained of assuring that the retirement fund incurring the potential or actual liability for the payment of benefits would also be in receipt of all contributions made by or on behalf of the employee so covered.

This is made explicit in the testimony given to this Committee that the enactment of this provision would add about \$33 million to the CIA Retirement Fund representing all of the accumulated prior Government contributions made on behalf of employees who have transferred from the Civil Service retirement system to the Central Intelligence Agency Retirement and Disability System.

Sincerely,

I wish to comment on S. 4571 which is a bill to amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes. I enthusiastically support this bill. As a member of the CIA Subcommittee of House Armed Services, I participated in the original deliberations which established this retirement system for the deserving employees of CIA who were qualified to participate. I believe the purposes for which this retirement system was established have been admirably served. Not only have the qualified employees received equitable treatment but also, as a management tool, this retirement system has served the Agency's needs well.

In the Committee hearings, conducted by the House Armed Services Committee on S. 4571, it was pointed out that one particular section would authorize automatic transfer of the Government's contribution where the employee has transferred from the Civil Service Retirement System to the Agency's system. The testimony developed that approximately \$33 million would be transferred from the Civil Service Retirement Fund to the CIA Retirement Fund, representing past Government contributions for all Agency employees already transferred since 1964, including former participants--thus assuring that the retirement fund incurring the potential or actual liability for the payment of benefits would also be in receipt of all contributions made by or on behalf of the employee so covered.